

DEPARTMENT OF COMMERCE.

HEARING

BEFORE THE

COMMITTEE ON INTERSTATE AND
FOREIGN COMMERCE

OF THE

HOUSE OF REPRESENTATIVES

ON

HOUSE BILL 14166, TO ESTABLISH A
DEPARTMENT OF COMMERCE.



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DEPARTMENT OF COMMERCE.

WASHINGTON, D. C., *May 20, 1902.* (Tuesday, at 10.30 o'clock a. m.)

Committee on Interstate and Foreign Commerce, House of Representatives.

The committee met at 10.30 o'clock a. m., Hon. William P. Hepburn in the chair.

STATEMENT OF HON. WILLIAM SULZER,

A Representative in Congress from the State of New York.

The CHAIRMAN. Mr. Sulzer, the committee would be glad to hear you for five minutes, and the Chair will take the liberty of announcing the expiration of that time, as we are somewhat hurried this morning.

Mr. SULZER. Mr. Chairman and gentlemen of the committee, I shall endeavor in five minutes you have allowed me to cover the essential points which I wish to make regarding the two bills to establish a Department of Commerce now pending before this committee, one introduced by myself and the other being the Senate bill.

The CHAIRMAN. What is the number of the one you introduced?

Mr. SULZER. My bill is No. 14166, introduced on May 2.

The CHAIRMAN. 14166.

Mr. SULZER. Mr. Chairman, I am in favor of a law to create a department of commerce, the secretary of which shall have a seat in the Cabinet, and I will do all in my power to put such a law on our statute books. In reading the bill which passed the Senate, and which is now in this committee, I find that it has some very good provisions and some provisions which I do not like very much, and also that it does not go far enough to cover this subject as thoroughly as it ought to be covered. If Congress is going to create a department of commerce now is the time to perfect the bill and make it as consistent as possible. I am informed, too, that the committee has stricken out of the Senate bill the provisions relating to labor.

The CHAIRMAN. The committee has done nothing.

Mr. SULZER. The committee has not stricken out those provisions?

The CHAIRMAN. The committee has not stricken out those provisions; no, sir. The committee has done nothing.

Mr. SULZER. Then I was misinformed. If that is so I will take up no more of your time on that point, save to say I have introduced in the House a bill to create a department of labor with a secretary having a seat in the Cabinet, and I hope it will pass.

The CHAIRMAN. The committee probably would do that, I will say, however.

Mr. ADAMSON. We would like to have your opinion, anyway.

The CHAIRMAN. I mean to say that there has been no final action by the committee.

Mr. SULZER. Then I would say, Mr. Chairman, that in my opinion, and I think I speak for the representatives of organized labor and for the labor organizations of the country generally when I say that they do not care particularly whether you strike out that provision in this bill or not. So far as the provision of this bill goes in regard to labor, it does not and will not benefit them in any way. If anything, it will be to their injury, and they have prepared a very elaborate bill to create a department of labor, with a secretary in the Cabinet, which bill I introduced for them, and that bill should be passed. Labor, which creates all wealth, is entitled to this recognition and ought to have it.

The CHAIRMAN. How does this work to their injury?

Mr. SULZER. It would give the Secretary practically the control of the organized labor of this country, and he could regulate it, dictate to it, and do with it practically as he saw fit.

The CHAIRMAN. How?

Mr. RICHARDSON. Don't you think if that was put in there that the man selected by the Secretary would not be likely to be as much in sympathy with labor as with the capitalists of the country?

Mr. SULZER. There is no doubt about it, and that is the way all far-seeing labor leaders of the country look at it.

Mr. RICHARDSON. How do you know that the labor leaders do not object to this bill?

Mr. SULZER. They do object.

Mr. RICHARDSON. They do?

Mr. SULZER. Yes; they do.

Mr. ADAMSON. Then you are in favor of two new departments, instead of one?

Mr. SULZER. Yes, sir. I am in favor of two new departments, with a secretary of labor and a secretary of commerce, both Cabinet officers. It is a step in the right direction and is bound to come sooner or later.

Mr. ADAMSON. Do you think it would stop there, or that there would be a demand for more in a short time?

Mr. SULZER. I think it would stop there for a great many years to come.

But, Mr. Chairman, as I have only a few moments, I desire to call the attention of the committee to some of the provisions of the bill I introduced—not in the Senate bill, but in my bill—and which I hope will be incorporated in the Senate bill now before this committee; or, that the committee in its wisdom and judgment will substitute my bill for the bill of the Senate.

The essential points of difference between the Senate bill and my bill (H. R. 14166) are embodied in the general provision that in my bill the Department of Labor is not included in the Department of Commerce. In accordance with the often-expressed wish of every branch of organized labor, I have provided in another bill (H. R. 13326) for the creation of a separate Department of Labor of equal rank with the department of commerce and providing for a member of the Cabinet to be known as the Secretary of Labor.

My bill also differs from the Senate bill in that it provides in lines 14, 15, and 16 of page 2, section 3, that it shall be the province and

duty of the said department of commerce "to inspect, examine, and regulate as may be prescribed by law all corporations engaged in interstate and foreign commerce."

My bill also provides an entirely new and very important section, No. 5, comprising pages 4 to 12, inclusive, in which is created a branch of the department of commerce called "a bureau of corporations."

This new section 5 applies the well-settled principles of Government supervision embodied in the existing national-banking law to all corporations engaged in interstate commerce.

The need for such Government supervision and inspection of the great corporations engaged in interstate and foreign commerce as provided in section 5 of my bill is fully recognized and approved by the leading thinkers, writers, philanthropists, business men, political economists, and statesmen of our time, including President Roosevelt, Bishop H. C. Potter, and Hon. Thomas W. Phillips, vice-chairman of the Industrial Commission, and many others, among the most important being the editors of the leading daily papers of the United States.

The great mass of our citizens, in my opinion, are emphatically desirous of seeing some proper governmental supervision of interstate corporations or trusts.

The increasing arrogance of interstate-commerce trusts and corporations and their greedy and reckless abuse of power, often in brazen violation of the law of the land, has compelled the President, the Attorney-General, and the various district attorneys of the United States to prosecute such corporations for their criminal conduct. All these facts fully warrant the committee in adopting the amendments to the department of commerce bill embodied in sections 3 and 5 of H. R. 14166. Or better still, simply substituting my bill for the Senate bill. By so doing the House will not only provide a much better law, but it will win the most hearty approval of nine-tenths of the citizens of the United States for its efforts to protect the people and the Republic itself from the grave danger of concentrated corporate wealth, already so powerful and so perverse that it tramples the laws under foot and defies the sovereign authority of the Government.

There is nothing now in the Senate bill that gives the Government the right to inspect or regulate corporations or "trusts" doing an interstate-commerce business. My bill, beginning with section 5, provides that there shall be established a bureau of corporations, which shall have the right to regulate and to inspect corporations doing an interstate-commerce business, have reports regularly made, and give publicity to their acts.

The CHAIRMAN. What do you mean by "regulate?" Give us your idea.

Mr. SULZER. That is a broad term, and I can not elaborate my contention in five minutes. I care naught about the word; I am after results. The corporations of this country to-day practically control the Government, defy Congress, and trample on the rights of the plain people, and the people demand some kind of legislation to regulate the arbitrary powers now illegally exercised by the trusts.

Now, gentlemen, each political party is on record in this Congress, in previous Congresses, and in their national platforms, in favor of publicity regarding trusts. Every great newspaper—East and West,

North and South—is in favor of publicity regarding these great trusts. The President has preached it. My bill provides for publicity. That is the whole matter in a nutshell. No honest corporation, no legal trust can possibly object to it. No corporation can justly object to having the Government exercise the same supervisory powers over its business, when it is doing an interstate-commerce business, that the Government now exercises over national-bank business. It is about the same thing. It is fair to all concerned. Corporations are creatures of law. When they are doing an interstate and foreign commerce business the Congress has the right under the Constitution to pass a law to establish publicity regarding their acts, to inspect their methods of doing business, and if there is a trust or a corporation in this country engaged in commerce between the States which is afraid of publicity, which is afraid of daylight, which is afraid of this inspection and this governmental supervision, why, it ought not to be allowed to do business, and we can safely assume it is doing something in contravention of public policy and in violation of law.

Mr. RICHARDSON. If the Government did not make a greater success of the supervision of corporations than it does now of its supervision of national banks it would be a failure. I notice that we generally have had an examiner going around to a national bank within a very few days before they fail, almost always.

Mr. SULZER. I differ with the gentleman, and if there are such cases there is always criminality. There has not been a national bank which has failed where there has not been criminality either of the officers of the bank or of the examiners, or both.

Mr. RICHARDSON. I have not noticed one for a long time where the examiner has not been there a short time before the failure.

Mr. SULZER. Then the examiner is incompetent and does not understand bookkeeping, or does not understand the manipulations and defalcations of clever national-bank officers, and the bookkeepers under them. I repeat that there has not been a failure in this country of a national bank where there has not been criminality on the part of either the bank officials or the examiners, or of both.

Now, gentlemen, I trust the members of the committee will take the trouble to look at my bill, beginning with section 5, and they will find how fair and equitable it is in so far as establishing in connection with this Department a bureau of corporations, and giving this bureau the right to exercise a supervision and inspection over the corporations concerned. Section 5 provides for the establishment of this bureau, to be called the Bureau of Corporations, and that it shall be the province and duty of said Bureau of Corporations, under the direction of the Secretary of Commerce, to inspect, examine, and regulate all corporations engaged in interstate or foreign commerce by gathering, compiling, publishing, etc., the facts and statistics the public are entitled to know. It provides that:

“SEC. 5. That there shall be in the Department of Commerce a bureau to be called the Bureau of Corporations, and a chief of said bureau, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary of four thousand dollars per annum. There shall also be in said bureau one chief clerk and one auditor and such number of examiners as may be needed to carry out the purposes of this act; said auditor and examiners shall be expert accountants and shall be paid salary and necessary

expenses. There shall also be such other clerical assistants as may from time to time be authorized by Congress. It shall be the province and duty of said Bureau of Corporations, under the direction of the Secretary of Commerce, to inspect, examine, and regulate all corporations engaged in interstate or foreign commerce by gathering, compiling, publishing, and supplying all available and useful information concerning such corporations, including the manner in which their business is conducted, and by such other methods and means as may be prescribed by the Secretary of Commerce or provided by law.

“Every corporation governed by this act shall make annual reports in writing to the Auditor, and such report shall in all cases include:

“(a) Capital authorized and issued, the amount paid up in cash or otherwise, with a statement of the method of payment where it is not in cash.

“(b) Debts, including details as to the amount thereof, and security given therefor, if any.

“(c) Obligations due from officers, which shall be separately stated.

“(d) A statement of assets and the method of valuing the same, whether at cost price, by appraisal, or otherwise, and of the allowance made for depreciation. Small items of personal property included in a plant may be described by the term ‘sundries’ or like general term.

“(e) Gross earnings for the period covered by the report, all deductions necessary for interest, taxes, and expenses of all sorts, the surplus available for dividends, and dividends actually declared.

“(f) Increase of assets since the last statement, with a showing in what way such increase has been secured.

“(g) The names and addresses of stockholders, with the number of shares held by each at the date of the report.

“(h) The amount of stock disposed of and the amount of property taken for stock sold since the last report, with all facts necessary to show the result of the transaction.

“(i) A statement showing that the corporation in question has not, during the period covered by the said report, received any rebates, drawbacks, special rates, or other discriminations, advantages, or preferences by money payments or otherwise from any railroad, pipe line, water carrier, or other transportation company, or if any such have been received or given, stating when, from whom, on what account, and in what manner they were so received, with all other details necessary to a full understanding of the transaction or transactions.

“(j) The names and addresses of all offices, location of transfer or registry offices wherever located.

“(k) A statement that the corporation has not fixed prices or done any other act with a view of restricting trade or driving any competitor out of business.

“(l) A statement that the corporation is or is not a party to any contract, combination, or conspiracy in the form of trust or otherwise, in restraint of trade or commerce among the several States or Territories or with foreign nations.

“(m) A statement of the proportion of goods going into interstate commerce.

“It shall be the duty of the Auditor to prescribe the form of the reports before mentioned. He may in his discretion require additional reports at any time when he may see fit upon reasonable notice. But his determination shall be prima facie proof that the notice given is reasonable.

"He may also require supplemental reports whenever, in his judgment, the report rendered is, in any particular or particulars, insufficient, evasive, or ambiguous.

"He may prescribe rules so as to avoid undue detail in making reports, but no detail of the business of the corporation shall be considered private so as to be exempt from the examination of the Auditor, whenever he may demand report thereon.

"He shall make public in his reports, which shall be issued annually, all the information contained in the reports so made to him. When a report has been made by a corporation, and, with all supplemental and additional reports required by the Auditor, shall have been approved by him, the corporation making such report or reports shall publish the same in some newspaper or newspapers, after the usual custom in such cases, with the Auditor's minute of approval, and shall file with the Auditor proof of such publication by the publishers' certificate.

"If any corporation shall fail to make a report when required, either by the terms of this act or when required by the auditor, as herein provided, said corporation shall be fined not less than one per centum or not more than ten per centum of its last annual gross earnings for each offense. Every day of failure after a written demand has been made by the auditor shall continue a separate and distinct offense. In case of failure, also, each of the directors of the said corporation shall be ineligible, for the year succeeding the next annual meeting, to hold either directorship or any other office in the said corporation; but any director shall be exempt from said penalty upon making a showing that he has individually made such a report as he was able from the facts at his disposal.

"If such report is false in any material respect, the corporation shall be fined not less than two per centum and not more than twenty per centum of its last annual gross earnings, and each false statement in any material matter shall constitute a separate offense. All fines and penalties imposed by this act shall be recovered or enforced in any court of competent jurisdiction.

"It shall be the duty of examiners, under the direction of the Auditor, to make examinations of any corporation governed by this act.

"Any of said examiners presenting his official credentials shall be furnished by the officers of the corporation every facility for complete and full examination, not only of the books, but of all the property, record, or papers of the corporation, which may be necessary, in the judgment of the examiner, for a complete knowledge of the affairs of the concern.

"Such examinations shall not be at fixed periods, but shall be at such times as the auditor shall fix and without notice.

"Examiners shall have the power to examine under oath all officers or employees of a corporation or any other persons having any knowledge of its affairs, and to send for, demand, and inspect books, papers, and any other matter of evidence whatever which is in the possession or control of the said corporation.

"For the purpose of this act examiners shall have power to require, by subpoena, the attendance and testimony of witnesses, and other production of all books, papers, contracts, agreements, and documents relating to any matter under investigation.

"Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States

at any designated place of hearing. And in case of disobedience to a subpoena the examiner may invoke the aid of any court of the United States in requiring the attendance.

"And any of the circuit courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any corporation subject to the provisions of this act, or other person, issue an order requiring such corporation or other person to appear before said examiner (and produce books and papers if so ordered) and give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. The claim that any such testimony or evidence may tend to criminate the person giving such evidence or testimony shall not be used against such person on the trial of any criminal proceeding.

"The auditor shall likewise have all the authority of an examiner in any case wherein he chooses himself to act.

"No examiner shall be assigned to examine any corporation who is himself interested in the business thereof, or of any competing concern, or who has relatives who are so interested.

"Any blackmailing or receiving of bribes by any examiner or by the auditor shall be duly punished.

"It shall be unlawful for an examiner to divulge private business, except by his report to the auditor. But such report, or the substance thereof, shall be open to public inspection.

"Each examiner shall follow the rules, regulations, and directions which the auditor may from time to time lay down or communicate to him as to the method of examination, the form of report, the matters to be covered by the said examination, and all matters pertaining to his duties.

"Said examinations and reports shall always cover, among others, the following questions:

"(a) Has the said corporation, during the period covered by the examination and report, received any rebates, drawbacks, special rates, or other discriminations, advantages, or preferences, by money payments or otherwise, from any railroad, pipe line, water carrier, or other transportation company?

"(b) If there have been such preferences, when were they received, from whom, on what account, and in what manner, giving all details necessary to a full understanding of the transaction?

"(c) Is the said corporation a member of any combination having or intending to secure a monopoly of any commodity other than such monopolies as are legally granted by patent or otherwise?

"(d) Has the said corporation any such monopoly, or does it use methods tending to secure such monopoly?

"(e) Has it made any contracts or agreements tending to secure any such monopoly to itself or any other concern, whether owned by an individual or individuals, a corporation, or some combination of individuals and corporations?

"(f) Is such corporation a party to any contract, agreement, combination, or conspiracy, in the form of a trust or otherwise, in restraint of trade or commerce among the several States or with foreign nations?

"(g) Has the corporation purchased or does it hold the stock of any other corporation for the purpose of controlling its management?

"Said reports of examiners shall be prima facie true and may be

introduced in evidence in all courts to prove the facts therein set forth. Copies certified by the auditor shall be admissible with like effect and under the same circumstances as the original.

"The word 'corporation' wherever used in this act shall be deemed to include associations existing or authorized by the law of either the United States, the laws of any State, or the laws of any foreign country.

"SEC. 6. That there shall be in the Department of Commerce a bureau to be called the Bureau of Manufactures, and a chief of said Bureau, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary of three thousand dollars per annum. There shall also be in said Bureau one chief clerk and such other clerical assistants as may, from time to time, be authorized by Congress. It shall be the province and duty of said Bureau, under the direction of the Secretary, to foster, promote, and develop the various manufacturing industries of the United States and markets for the same at home and abroad, domestic and foreign, by gathering, compiling, publishing, and supplying all available and useful information concerning such industries and such markets, and by such other methods and means as may be prescribed by the Secretary or provided by law. And all consular officers of the United States, including consuls-general, consuls, and commercial agents, are hereby required, and it is made a part of their duty, under the direction of the Secretary of State, to gather and compile, from time to time, useful and material information and statistics in respect to the commerce, industries, and markets of the countries and places to which such consular officers are accredited, and to send, under the direction of the Secretary of State, reports quarterly, or oftener, if required, of the information and statistics thus gathered and compiled, such reports to be transmitted through the State Department to the Secretary of the Department of Commerce.

"SEC. 7. That the jurisdiction, supervision, and control now possessed and exercised by the Department of the Treasury over the fur-seal, salmon, and other fisheries in Alaska be, and the same hereby is, transferred to and vested in the Department of Commerce.

"SEC. 8. That the Secretary of Commerce shall annually, at the close of each fiscal year, make a report in writing to Congress, giving an account of all moneys received and disbursed by him and his Department, and describing the work done by the Department in inspecting, examining, and regulating, as prescribed by law, all corporations engaged in interstate and foreign commerce, in fostering, promoting, and developing the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, and the transportation facilities of the United States, and making such recommendations as he shall deem necessary for the effective performance of the duties and purposes of the Department. He shall also, from time to time, make such special investigations and reports as he may be required to do by the President or by either House of Congress, or which he himself may deem necessary and urgent."

Now, it seems to me that no trust, no corporation, no individual—

MR. RICHARDSON. Your definition of a trust, as I understand it, is any combination or partnership of men who go into partnership for any purpose; that is a trust?

MR. SULZER. My definition of a trust is the definition which has been given by the Justices of the Supreme Court of the United States.

In my judgment, gentlemen, this is a very important provision, and the Industrial Commission has reported that the very basis of the advantages of certain corporations in this country has been the rebates which they have received from the railroads—drawbacks and special rates. It is gross favoritism. It is contrary to law, and it has been done over and over again in violation of law. This provision in my bill ought to go in this law if this bill is to pass. There can be no honest objection to it. It is recommended by high authority.

The CHAIRMAN. What would be the probable effect of that? If you can not by a statute and by the fear of punishment, and by the power of the courts, prevent men from doing that kind of business, will another statute requiring them to tell about it be probably influential with them?

Mr. SULZER. I think that this provision, if it were incorporated into the law, would go very far to remedy the evils which are now complained of, and which are apparent to every farseeing and thinking person in the country.

The CHAIRMAN. Would not that be like amending the law of murder, so as to compel the person committing the murder to make a written confession to somebody?

Mr. SULZER. I do not think that would be analogous, because the law of murder is entirely different from a great many things of a civil character, and this is more in the nature of a civil matter.

The CHAIRMAN. This is of a criminal character.

Mr. SULZER. I believe, Mr. Chairman, that the very great majority of the men at the head of the meat corporations and trusts of this country are truthful—that they would not swear to a false statement; and I believe they would go far to carry out the provisions of a law such as my bill contains; and I, for one, do not think that the great majority, or, I will say, nine-tenths, of them will commit perjury.

Mr. ADAMSON. You think they are not quite honest enough to comply with the law, but they are too honest to lie about it?

Mr. SULZER. I do not think they would willfully perjure themselves regarding inspections, statements, reports, and publicity.

Mr. ADAMSON. Do you think that provision ought to apply to individuals doing an interstate-commerce business?

Mr. MANN. As well as corporations?

Mr. SULZER. No; I do not. The case is different.

The CHAIRMAN. Why not? You would have to have a provision of that sort in order to reach the beef trust.

Mr. SULZER. No, sir; not at all. The beef trust is a combination of companies, partnerships, and corporations. It is a trust.

Mr. MANN. It is an imaginary combination?

Mr. SULZER. Whether imaginary or real, it is a trust.

Mr. MANN. It is a combination of individuals.

Mr. SULZER. The beef trust is a combination of companies, individuals, and corporations.

Mr. MANN. A lot of them are companies, and some of them are individuals.

Mr. SULZER. It is a trust of the worst kind.

Mr. RICHARDSON. There was a gentleman who came here who said that there was no such thing as a beef trust, but this rise in prices was simply created by stopping rebates.

Mr. SULZER. I am not here now to discuss the beef trust, and I

believe that if the provisions of the Sherman antitrust law were enforced by the Attorney-General the beef trust within thirty days would be dead. I am on record down stairs, in the House, and in other places as to what I think of trusts, the Sherman antitrust law, and the duty of the Attorney-General.

Mr. MANN. You think that an individual doing business in the nature of interstate commerce, no matter how much he was doing in the way of business, or how much he was doing business with other corporations, should not be subjected to this law?

Mr. SULZER. I hardly think that this provision should apply to individuals.

Mr. MANN. It ought not to apply, then, to a partnership.

Mr. SULZER. An individual—a person—you understand, is very different from a corporation or a trust, so called. Of course, every trust is a corporation or a combination of corporations—the soulless creatures of law—and the law should regulate them.

Mr. MANN. The biggest firm in the city of Chicago is a partnership and not a corporation. You would not have this apply to that firm?

Mr. SULZER. Yes, of course; if it is in the combination—the trust. This provision should apply to every creature created by law. We have no right, in my opinion, to compel an individual doing an interstate-commerce business to make a report to the Secretary of the Department of Commerce any more than we have now the right to compel an individual doing a small banking business to make a report to the Secretary of the Treasury.

Mr. MANN. We have a right to compel anybody doing an international business to make reports.

Mr. SULZER. Yes.

Mr. MANN. We have the same authority, so far as the interstate commerce provision of the Constitution is concerned, over an individual doing interstate commerce, as we have over a corporation doing an interstate commerce business.

Mr. SULZER. I understand, and am of opinion that Congress has the right to regulate by law corporations doing an interstate commerce business.

Mr. MANN. Do you think that under the Constitution this committee can say that a corporation created by a State shall be subject to a law which an individual in the State, doing the same class of business, shall not be subject to?

Mr. SULZER. I think I have made my position clear regarding that. The Sherman antitrust law says the same thing—

Mr. MANN. The Sherman act does not say the same thing at all. It would apply to individuals just the same as to corporations.

Mr. SULZER. Only where there is a combination of individuals—a trust, so to speak.

Mr. MANN. Oh, it is only where there is a combination in either case. What distinction do you make, under the Constitution of the United States, between an artificial person, which the law holds to be a person created by the State, and a natural person?

Mr. SULZER. I have stated that. I will state it over again. One is the creature of law and the other is not.

Mr. MANN. One is the law of the State and the other of the Federal Government, and we get our jurisdiction entirely from the provisions of the Constitution to regulate commerce between the States.

Why does it discriminate between artificial and natural persons within the State?

Mr. SULZER. I will say that, so far as I am concerned, I will leave that matter entirely to the judgment of this committee, and I know that there are able and astute lawyers on this committee who are thoroughly capable of solving this for themselves. I care not whether you take into consideration individuals or combinations of individuals. That is a matter to be determined for yourselves. But I do think that this committee ought to put these provisions in this bill in regard to publicity. We are after publicity. We believe it will go far to remedy the evil.

Mr. ADAMSON. If it be an unjust discrimination on the part of the Government, deriving its authority under the Constitution, to restrict corporations and not to restrict individuals, how about restricting the same kind of intercourse between the States?

Mr. SULZER. I think that if an individual, in combination with other individuals, is getting rebates and drawbacks, and special privileges, and advantages from the transportation companies, and is in a position where he can create for himself, and has created for himself, a monopoly, that it would be very proper, if it can be done, to include him under the provisions of this proposed amendment that we are now discussing.

Mr. COOMBS. Do you not think it would be a novel proposition to include in a bill creating a department of the Government, machinery with reference to the regulation of interstate commerce?

Mr. SULZER. I beg pardon; I did not get your question.

Mr. COOMBS. I say, is it not a novel thing to include in a bill creating a new department of the Government, regulations, or any system or régime pertaining to the regulation of commerce, matters which come properly together in a bill by themselves?

Mr. SULZER. No. I think it is eminently proper to put provisions of this kind in this bill.

Mr. COOMBS. Why do you not introduce that as a separate measure?

Mr. SULZER. That can be done I know just the same as lots of other things here can be done, but there are many reasons for not doing it. In the first place it is very doubtful whether it could be passed, and in the second place these provisions are now germane to this bill.¹ This bill has public sentiment behind it, and ought to be passed. Hence in passing this bill it seems to me it is incumbent upon every representative of the people to make it as good and as perfect a bill as possible. I am here in my humble way to say to you gentlemen that in my opinion the provisions which are in my bill are the crucial test of the matter, and ought to be put into the bill. I want to say to you gentlemen that I have no vanity in this matter. I do not care whether it is the Senate bill or my bill which you report. As I said I am after results. All I want to do is to put into this bill this provision for publicity, which will make these great corporations or trusts give to the Government reports that shall be verified, so that any suppression of the truth or any expression of a falsehood will be perjury, and so that the people can find out if the trusts are violating the law.

Mr. COOMBS. Could not your provisions be proposed as an amendment to the Sherman Act?

Mr. SULZER. I think it would hardly be as applicable to the Sherman law as to this bill. It will hardly be as appropriate as a separate

bill putting this matter under the control of the Secretary of the Treasury.

Now, gentlemen, there are a great many other provisions in my bill which have been very carefully considered by leading public thinkers and economists of this country. Some of these gentlemen have devoted a great deal of their time to it, and the Industrial Commission—members of that Commission—have collaborated with them. Some of these gentlemen have gone to expense out of their own pockets in getting able lawyers who are familiar with this subject to go over it and suggest provisions to be put in this bill. It is a good bill and it has been carefully prepared. It does not come from the labor organizations. It does not come from the discontented. It does not come from those that cry out at all times against the concentration of wealth. This bill comes from gentlemen who have given this subject great thought and great consideration for the past three years, and who believe that the best way to control the great corporations and trusts of our country doing an interstate-commerce business is by publicity, and this bill goes into that subject fully and provides the relief and the remedy demanded.

The CHAIRMAN. The gentleman's time has expired.

Mr. SULZER. I thought so, too, long ago. I simply trust, Mr. Chairman, that with your ability and familiarity of this proposition, you will give it careful consideration. I am satisfied that if you do you will come to the same conclusion I have, that now is the accepted time, and that this is the remedy, and that you should either put these provisions into the Senate bill, or substitute my bill for the Senate bill. I thank the committee for its courtesy.

